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ABSTRACT

The shifting roles of local, state, and federal governments in the financial support of community colleges is discussed. According to the 1970 Carnegie Commission on Higher Education report, the need for broader financial support for community colleges is critical. It is pointed out that the prospect for the immediate future, for Federal support of community colleges, is bleak. The Federal government has recommended no funding for Title X (a) or (b) and no funding for any of the programs designed to reinforce community colleges. There is evidence of a shift in perspective within the Department of Health, Education, and Welfare away from any support for planning, programs, or institutions and towards restricted forms of student aid. Likewise, state aid, although more than federal aid for junior colleges, is less than the yearly increase in students. Another factor detrimental to community college development is the aspiration of some two-year institutions to become four-year colleges. If community colleges are to continue existing, they must attract funds; in order to do this, they must become centers for life-long learning. Six steps are discussed for attracting funds. (CK)

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Speech by Dr. Richard Millard on July 6, 1973 to the National Council of State Directors of Community/Junior Colleges in Newport, Rhode Island.

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SHIFTING PERSPECTIVES IN FINANCING AND PLANNING FOR COMMUNITY COLLEGES

We seem to find ourselves today in a period in which not only old assumptions but even some of what were thought to be new assumptions in relation to financing and planning of and for community colleges and higher and postsecondary education as a whole no longer seem to hold or are being seriously challenged. The roles of local, state, and federal governments in the support picture are shifting. The scope of institutions, agencies and operations falling within the postsecondary educational ambit for planning purposes has increased. Expected federal support programs have not materialized. In some areas in spite of change we seem to be marking time rather than making progress.

The opening paragraph of the Carnegie Commission on Higher Education report on community colleges--The Open Door Colleges--written in 1970, reads as follows: "The need for broader financial support for community colleges is critical. They are faced with reduction in federal appropriations, financial stringency in many states and increasing reluctance of voters to approve increased taxes for the support of community colleges. Furthermore, the development of community colleges has lagged in low-income states and in some of the states with sparse populations. It has also lagged where there has been inadequate provision, or no provision, for state financial support of community colleges."[1]

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[1] The Open Door Colleges, Carnegie Commission on Higher Education. New York: McGraw-Hill Book Company, 1970, p. 41.

The fascinating aspect of this statement is that at best the first part of it is, if anything, more relevant today--three years later--than it was in 1970. The Commission went on to make a series of recommendations to help remedy the situation, most of them in relation to the federal government and its responsibility to reinforce the states in community college support and development. It recommended specifically that "the federal government assist community colleges by: (1) providing funds for state planning; (2) start up grants for new campuses; (3) construction funds; (4) cost-of-education allowances for low-income students attending the colleges; (5) grants, work-study opportunities and loans for students; and, (6) an expanded program of federal training grants to stimulate expansion and improvement of graduate education programs for community college teachers, counselors and administrators."[2] As far as the states are concerned, the Commission recommended "that states should expand their contributions to the financing of community colleges so that the states share amounts, in general, to one-half or two-thirds of the total state and local financial burden."[3]

The Carnegie Commission report was reinforced in 1971 by the task force report on community colleges of the Education Commission of the States which, while it suggested somewhat more insistently than the Carnegie Commission that effective statewide planning for community colleges must be integral to total statewide planning for postsecondary education, also urged federal reinforcement of state efforts if the postsecondary educational needs of the states and the nation were to be met and if the national goal as expressed both by Presidents

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[2]Ibid, p. 43.
[3]Ibid, p. 45.

Johnson and Nixon of providing postsecondary educational opportunity for all persons interested and capable of benefitting from it were to be reached.

To this point, in terms of delivery in the light of the Carnegie Commission recommendations, the federal government has retreated but the states have made considerable progress. If one uses the Carnegie goal for state support of one-half or more of "the state and local financial burden," 37 states have reached this goal. Twenty-two states, except for tuition income, fully fund their community colleges, and an additional four states provide 100 percent funding for some of their community colleges, seven states provide 50 percent or more of the funding and four states using a one-third, one-third, one-third formula--the last one-third being tuition--equal the local share. This is not to suggest that state funding is necessarily adequate or that there are no financial problems related to state appropriations. We will return to the state situation shortly. But before doing so, let's look more closely at the federal picture.

I am sure you are as aware as I am of the sequence of events over the last three years. Most of us, I suspect, hoped that on the federal level at least these events and concerns had reached their culmination on June 23, 1972, with the passage of Public Law 92-318, the Education Amendments of 1972. The act had been passed overwhelmingly by the Senate and with a comfortable majority in the House. While not everyone was happy with some of the compromises, most of the Carnegie Commission recommendations and much of what many of us had been working for in urging a state-federal partnership in postsecondary education had become the law of the land. The act provided for comprehensive statewide post-secondary educational planning and statewide planning for community

colleges in particular. It provided start-up funds, expansion funds, and funds for innovative programs. It provided construction funds, a complex of student aid (including new Basic Educational Opportunity grants entitling poverty students to aid), with supplementary grants, work-study, direct and guaranteed loans and a state incentive program to help fill in the gaps. It provided reinforcing or cost-of education institutional grants related to students receiving aid and so on. While no one expected the Amendments to be fully funded, at least the prospects of reasonable federal recognition of responsibility to reinforce the states in supporting and developing community colleges seemed clear.

Ostensibly, on the basis of need for budgetary limitations, the Administration has recommended no funding for Title X (a) or (b), in fact no funding for any of the programs designed to reinforce community colleges including those previously in existence such as construction grants, except for student aid in the form of basic opportunity grants, work-study (at current levels only) and guaranteed loans and funds for the improvement of postsecondary education limited in amount and not targeted to any group. However, in addition to its recommendations of no funding, it has held up issue papers and guidelines, even though in many cases these have been completed, on the grounds that to do so would create expectations that funding might follow and at least at present the Administration has no intention of recommending their funding in the future. It is rather clear, whether one agrees with the Administration's actions or not, that in effect the Administration has to a large extent negated or rewritten the law through impoundment, recession, refusal to recommend funding and withholding guidelines.

The prospects for the immediate future, as far as Administration support for funding community colleges, look bleak and, frankly, they

do not look a great deal better from the congressional standpoint. This is not to suggest that the community colleges still do not have strong advocates on the hill. However, Congress has accepted or seemed to accept the Administration's concern with spending and appropriations ceilings; in fact Congress has proposed a lower ceiling than the President. Further, it seems to have accepted the concept of ceilings by appropriation area so that the prospects of shifting priorities from other areas to education does not at this time seem great. And the funds are sufficiently thin in higher and postsecondary education that any shift of funds would almost have to come out of student aid, not a very likely prospect. Finally, the threat of presidental veto over any increases and the failure to override presidental vetoes to date militate strongly against increased appropriations even in areas congressmen feel strongly about.

There is one further aspect of the federal picture, again for the immediate future, that is less than encouraging in relation to programmatic, institutional or segmental funding or planning support. There would seem to be more than a little evidence of a shift in perspective in the high councils of the Department of Health, Education, and Welfare away from any support for planning, programs, or institutions (except for developing institutions) and towards restricted forms of student aid with increasing emphasis upon nongovernmentally financed loans. This seems to be related to a basic philosophic commitment to a so-called free market concept of postsecondary educational support in which the students determine the structure of postsecondary education by where they take their money. Unlike the Administrations' public posture in relation to elementary-secondary education which calls for special revenue sharing with the states and local communities, the assumption in relation to

postsecondary education seems to be that state and institutional planning contravene the operation of the market and that even low tuitions at public institutions are not necessarily in the students' or the public's best interests. This, it will be recognized, is not particularly conducive to federal support of community colleges or even the community college movement.

Turning from the somewhat dismal federal picture, what is the situation in the states? We have already indicated that in terms of the Carnegie Commission goal that states pick up a larger share of the costs of community colleges "vis-a-vis" the local community, the states have made real progress. But before one jumps to the conclusion that the picture is necessarily bright and that the states are ready, willing and able to compensate for the lack of a federal share in further planning, expansion and reinforcement of community colleges, it may be wise to take a look at some of the problems and trends on state levels. The junior and community colleges during the 1960s and into the 1970s have been the fastest growing segment of postsecondary education. From 1969 to 1970 alone junior and community colleges increased some 40 percent in size from 1.5 million to 2.2 million students.[4] Forty new community colleges were opened in 1969 and 35 more in 1970.[5] But while enrollments increased by 40 percent, revenues including appropriations only increased by 20.4 percent.[6] Although the increase in revenues was considerably less than the increase in students, it was considerably more than the increase in revenue

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[4]USOE figures.

[5]AACJC figures.

[6]USOE/National Center for Educational Statistics preliminary data, April 1973.

for all institutions (11.1 percent) or for all public institutions (12.9 percent). However, the following year, 1970-71 to 1971-72, community and junior college revenue increase dropped to 11.1 percent, much closer to the also declining percentage of increase in revenues for all institutions (9.3 percent) and for all public institutions (9.5 percent).

It comes, I am sure, as no surprise to this or any group concerned with financing higher education that the primary support for higher education in this country comes from the states. Total state appropriations during 1972-73 amounted to over $8,500,000,000 ($8,528,509,000).[7] This is approximately four times the amount from all voluntary contributions (individual and corporate), one-third again the amount received from tuition and fees (private and public institutions) and twice the amount from U.S. Office of Education sources. If one considers public institutions only, appropriations exceed three times the amount received from tuition and fees.

Education, in fact, is by far the largest expenditure item in state government. In 1971-72 51 percent of the states' general revenue went into education. This ranged from a high of 85 percent in Louisiana to a low of 28 percent in New Jersey.[8] In terms of the total state appropriations for education, nationally 31 percent went into higher education. This 31 percent of education appropriations represents, in turn, 16 percent of total state revenue.

But while the amounts and percentages of funds from the states going into education and higher education are high, there are some trends that need to be rather carefully noted. The first of these is that while during the period from 1967-1968 to 1971-1972, state general revenue increased some 67 percent, state appropriations for education increased only 59 percent and education's share of the total state revenue dropped from

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[7]M.M. Chambers figures.

55 percent to 51 percent. Within the amount appropriated for education, however, the amount for higher education increased from 27 percent to 31 percent. In relation to total state revenue, higher education gained slightly, from 14 percent to 16 percent, but public institutions gained only by 1 percent, from 14 percent to 15 percent.

In other words, while funds for education have increased with the increase in general revenue funds they have not increased as fast as the general revenue funds in the last few years. Within education funds, higher education has fared somewhat better than elementary-secondary education, and community colleges have fared somewhat better than higher education as a whole. But the percentage of revenue going into higher education has leveled off and, at least in terms of current indications, the percentage is not likely to increase substantially in the near future. In fact, given surpluses in general revenue this year in a number of states, plus funds from federal revenue sharing, while the level of spending may not drop, the percentage of general revenue going into higher education may well decrease. When one adds to the picture inflation, while the gains over the last few years are striking, they are not as great on the surface as might seem to be the case. Further, if one distributes the funds on a per-student basis, taking into account increased enrollments over the last few years and increasing costs, it is not surprising that many public institutions including community colleges are in serious financial difficulty. We have already noted that the 40 percent increase in enrollment in community colleges in 1969-70 was matched by only a 20 percent increase in revenue and with a drop in revenue increase in 1970-71 to 11.1 percent. Now to this picture add the leveling off and in some cases actual decrease in enrollments, but with continuing inflation and rising costs, and the situation is not conducive to great

optimism in regard to major increases in funding.

On the state level the situation is further complicated by a number of factors. To begin with the obvious, education in general, and higher education in particular, no longer has the high regard and public confidence it did in the 1960s and this is beginning to extend to some degree to community colleges. There are numerous reasons for this with which most of you are already well acquainted. While student unrest of the 1960s seems to have abated, it has not been altogether forgotten. In the general field of education, Colman, Jencks and others have raised (even if misinterpreted) serious questions about the efficacy of education as a solution to social problems. Spiraling costs accompanied by the suspicion, whether correct or not, on the part of legislators and the general public that higher educational institutions have been less than candid in presentation of needs, income and evidence in support of requests for funds and less than efficient in management of funds received have all added to what still has to be called a credibility gap.

While community colleges have until recently, as the people's colleges, tended to suffer somewhat less in relation to the credibility gap, even this advantage is in danger of changing. The tendency in some cases of good community colleges on the basis of a dangerous parochialism to aspire to be poor four-year institutions, the sometimes bitter rivalry regardless of whose fault it is between community colleges and vocational-technical institutions, and even the political rivalry in regard to the establishment of new community colleges based not necessarily on need but on local pride, have not helped the situation.

Second, the competition for funds on the state level for other services has become more insistent and intense, and states have had to reassess priorities. Welfare, highways, housing, environmental concerns, law enforcement, health services--in all of these and other areas costs have increased along with demands for services. Even within education competition has increased and need for reconsideration of priorities has become acute. Renewed emphasis on early childhood education, education of the handicapped, educational assessment and career education all add to the picture. Further, while the Supreme Court has ruled against Rodriquez, pressure on the states for more effective equalization of expenditures among school districts continues with the question of movement towards additional, if not full, state funding still very much alive.

Finally, quite apart from education, the current Washington scene has seriously complicated the financial situation for the states. While the "New Federalism" in theory is supposed to reinforce the states, in the interim through impoundment, recession and the budget proposals for fiscal year 1974, the Administration has made the questions of priorities on the state level just that much more acute. Uncertainty as to what federal funds will be available and when and for what has made budgeting on the state level particularly difficult this year. And, again, the confusion applies not just to education but to poverty funds, agriculture, welfare, housing and in fact to just about every major federally reinforced program. It even becomes difficult for governors and for states to determine what priorities in relation to federal funding they should push hardest for.

The situation on the local level tends to be complicated by most of the problems present on the state level plus the increasing reluctance amounting, in some cases, to revolt on the part of property tax payers to increasing millage and bond obligations.

All of these seem to add up to a less than encouraging picture in relation to financing community colleges in the period ahead. It would be easy to conclude simply that we are in for rough times, belt tightening, even the disappearance of some community colleges, and open and cut-throat competition to preserve the rest--the open market in its most ruthless form. That this could happen is certainly not beyond the realm of possibility. I frankly think that anyone who is not aware of this possibility and the factors contributing to it is living in a dream world that could too easily become a nightmare.

My purpose, however, is not to be a Cassandra. I do not think the situation is hopeless or that the possibility need become a reality. But I do think that such a reality cannot be discounted and that to improve the financial situation for community colleges and, in fact, for postsecondary and higher education as a whole, a number of things are, if not necessary, at least highly desirable.

First, it seems to me, we do have to recognize that we are in a different ball game--a ball game that includes considerably more players and a limited number of potential students. Let's look first at the student situation. While it is true that 85 percent of all first-time students entering higher educational institutions during the past two years entered community colleges,[9] and that community colleges represent the only segment of higher education with increasing enrollments, that increase in the fall of 1972 of first-time students represented

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[9]Higher Education and National Affairs, American Council on Education, January 5, 1973, 22(1) 8.

less than 2 percent and was counterbalanced by a 1.5 percent decrease in first-time enrollments in four-year colleges and universities.[10] The prospects of additional so-called college-age students do not look bright. The actual number of males 18- to 19-years-old attending college dropped back from a high of 44 percent in 1969 to the 1962 level of 37.6 percent, and there were corresponding drops in the 20- to 21-year-age group. While there were not corresponding drop backs among women, the percentage of women attending college has leveled off at the 1969 level--34 percent of 18- to 19-year-olds and 25 percent of 20- to 21-year-olds.[11]

At the same time, the nation's birth rate is at its lowest point in history--a rate of zero population growth and it still has not stabilized.[12] What these figures indicate is that higher education will no longer be a growth industry or even a steady state industry. Since in most states budgeting does relate to numbers of students, the decrease in students will inevitably effect the budgeting process.

What this does mean is that unless different and expanding constituencies can be attracted, budgets will inevitably shrink. But this "unless" is an important one. The community colleges have already moved more directly into the continuing education and education of older students than have a good many other institutions. If they are to retain their viability and continue to expand, it becomes vitally important that they become, in fact, colleges of the community--and of all ages within the community--that they become centers for life-long learning. It means they will need to emphasize even more strongly their comprehensive character, the variety of occupation, career, refresher and skill improvement programs as well as self achievement and cultural opportunities in the arts and sciences.

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[10] Ibid

[11] U.S. Bureau of the Census, reported in the Chronicle of Higher Education, March 5, 1973

[12] Oakland Tribune, January 3, 1973, pg. 3.

It also means that they will need to become centers of innovative and flexible approaches to education to meet the variety of educational needs of the citizens of the community. The increasing emphasis on life-long education is very much to the advantage of the community colleges and their financial health if they are ready to accept the challenge.

But this has another important implication. It probably means that physical facilities and isolated campuses will become progressively less important and that in its place the community as campus will become progressively more important. The community college does have the resources of the community, its businesses, cultural facilities, industries, and service agencies at hand. Not only for the students in occupational areas but even, and perhaps equally, if not more important, for students planning to continue with further education, experiences in the community, even education through the community can be of major importance. And this has the additional advantage of involving the community in the college and thus directly increasing the educational and financial resources of the community college. The days of major capital outlay for building campuses may be over, but the days of capital involvement in the facilities of the community may be just beginning.

In addition to limitation in number of college-age students, the second part of the ball game is the increased number of players. We have gradually come to recognize far more clearly than in the past that far more institutions and agencies than what have traditionally been called higher educational institutions, including community colleges, are engaged in post-high school or postsecondary education. The community colleges have been well aware of vocational-technical institutes and area vocational schools and their impact on the post-secondary educational scene. In fact, it probably would not be too

inaccurate to say that this awareness in some places and at some times has taken the form of open hostility and less than friendly rivalry for students and funds. Until relatively recently, however, not as much attention has been paid to the proprietary institutions. These would seem to be the most rapidly growing institutions in the postsecondary educational sphere. Unpublished figures from the National Center for Educational Statistics would indicate that there are currently well over two million students in proprietary institutions and that the number is continuing to increase.[13] The variety and scope of types of institutions, in other words, that must be taken into account in assessing both educational and financial situations, if such assessment is to be realistic, covers the full range of postsecondary education.

Now as the community colleges and other institutions face the present situation, the one approach that would seem to be not only nonproductive but counterproductive is unlimited rivalry and open warfare for students and funds, whether or not such an approach is fostered by the federal government. Such tactics in the past have been at least partially responsible for the credibility gap and if pursued now are likely to widen it further, with even greater reluctance on the part of legislators and others to support an adequate system of postsecondary education, including community colleges. If there ever was a time in which the need for comprehensive planning and complementation of efforts among institutions, segments, and with statewide and regional agencies would seem essential if the postsecondary educational needs of the country are to be met and diversity and integrity of postsecondary institutions are to be maintained, it is now.

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[13]Report of NCES staff to CCD-70 Study Committee of which author is a member.

From this standpoint there would seem to be some minimum conditions of continued progress including adequate financial support from state and local and perhaps even federal governments. The first of these conditions is again the kind of comprehensive planning that does take into account the full range of postsecondary education and its more effective articulation with elementary-secondary education--planning also related to the range of postsecondary educational needs of citizens of all ages. Such planning cannot be done by community colleges alone, but should be done with full community college involvement.

The second, integral to the first, is much clearer definitions of institutional and system role and scope including interinstitutional complementation and reduction in wasteful duplication of efforts. Specifically, for community colleges this may well mean a closer cooperation and common planning for shared resources--faculty, facilities, programs and students--with vocational-technical educational institutions on the one hand and senior institutions on the other. It may even mean contracting for some services with proprietary institutions. In particular, the past conflict between community colleges and vocational technical institutions needs to be overcome. The New Orleans meeting of state directors of community colleges, vocational education, and adult and continuing education in January of 1973 sponsored by the University of Florida/Florida State University Center for State and Regional Leadership holds major promise for the future and needs to be followed up. Career education does have both legislative and public appeal. The community colleges have the opportunity to take the leadership in broadening the conception of career education beyond narrower skill preparation definitions and in so doing to make career education very much their business and to do so in cooperation with vocational-technical institutions.

The third, and at least in part a condition of the first two, is fuller implementation of more effective management and information procedures including information exchange procedures. The National Center for Higher Education Management Systems has made major strides in this direction. A number of community colleges and community college systems have been and are cooperating with NCHEMS. But it seems quite clear that the day of using budgetary and other types of information as means of obfuscation rather than as instruments to communicate effectively actual conditions and needs are, or should be, over: to the extent that they are not over they have or quickly will become counterproductive.

Fourth, for community colleges in particular, as already suggested, it is perhaps critically important to use the resources of the community as campus so that the community college becomes integral to the community, a real and necessary community resource, which the community cannot afford to lose. And this again involves emphasis on students of all ages--not just the "college age" student.

Fifth, such community involvement carries with it the recognized need for flexibility, willingness to innovate to meet changing conditions and changing student clienteles. It may mean a willingness to abandon time constraints and quantitative credit units and moving more rapidly to an achievement level conception of the educational process. It means opening closed doors and rejecting the concept of "terminal" programs.

Sixth, essential to the kind of understanding inherent to effective financial support is the willingness not only to work and plan with other types of institutions and state agencies but to keep the discussions open with the political and general communities in such a way that clear and mutual understanding and agreement on goals and problems in reaching them is developed.

We are faced with a changing and difficult situation. It is possible that community colleges have reached their zenith. It would be unrealistic not to recognize that there are persons and groups who would not be unhappy to see the community college movement eclipsed. There are indeed individuals and groups, including some in high places, that would like to have planning and complementation of efforts break down.

However, the changing situation also offers new challenge and opportunities to community colleges if the community colleges are willing to reject the concept of rivalry for real complementation of efforts with the various segments of the postsecondary educational community. This both depends upon and necessitates keeping function and role of community colleges clear and working effectively with and not against statewide planning agencies. The challenge calls for coopting, if you will, the concept of career in the broad sense and in contrast to skill preparation alone as the key to community college development. It means seeking closer cooperation and articulation with vocational education, proprietary education, secondary education, and other higher educational systems and institutions. It calls for far clearer distinction than has sometimes been the case between short-range advantage and long-range effectiveness. It means, in other words, willingness to become an integral part in planning to meet the range of postsecondary educational needs of citizens of all ages.

In spite of the problems federal, state and local, or perhaps better, in part at least, because of these problems, I think we have an unusual opportunity with the community colleges perhaps taking the lead, of rethinking and restructuring postsecondary education in this country so that it does meet the range of needs of our citizens and does so in such

a way that it will be reasonably if not munificently supported in the period ahead. But the time is short, the stakes are high not only for the colleges but for the country and the process will be difficult.

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